

Washington State Ferries



Route Statements
For Fiscal Years 2011 to 2016

Washington State Ferries

FY2016 Route Statements

This document is a description of factors affecting the Route Statements for Fiscal Year 2016 (July 1, 2015 through June 30, 2016), and information regarding cost, ridership, and revenue trends over the past six years.

Service Changes Over the Six-Year Period

- From the Winter of FY08 through the Fall of FY11, the Port Townsend – Coupeville (Keystone) route had one-boat service with the leased vessel MV Steilacoom II. The new 64-car ferry MV Chetzemoka went into service on this route in November 2010. This route remained at one-boat service for the entire fiscal year. Full summer service on the Port Townsend route was restored at the beginning of FY12 with the addition of the MV Salish. This change allowed access to the route by tall trucks for the first time.
- In January 2012 the 48-car MV Rhododendron was replaced by the MV Chetzemoka on the Point Defiance – Tahlequah route. The new 64-car ferry MV Kennewick replaced the MV Chetzemoka on the Port Townsend – Coupeville (Keystone) route.
- At the end of FY14 the 144-car Tokitae replaced the 124-car Cathlamet on the Mukilteo-Clinton route.
- In July 2014 the MV Tacoma was out of service for eight months for repairs needed due to mechanical failure. In order to ensure proper service levels the MV Evergreen State, which was slated for decommissioning at the start of FY15, was reinstated. The MV Evergreen State was subsequently decommissioned 18 months later in December 2015.
- At the end of FY15 the 144-car Samish replaced the 90-car Sealh on the Anacortes-San Juan Island route, which resulted in the decommissioning of the MV Hiyu in March 2016.

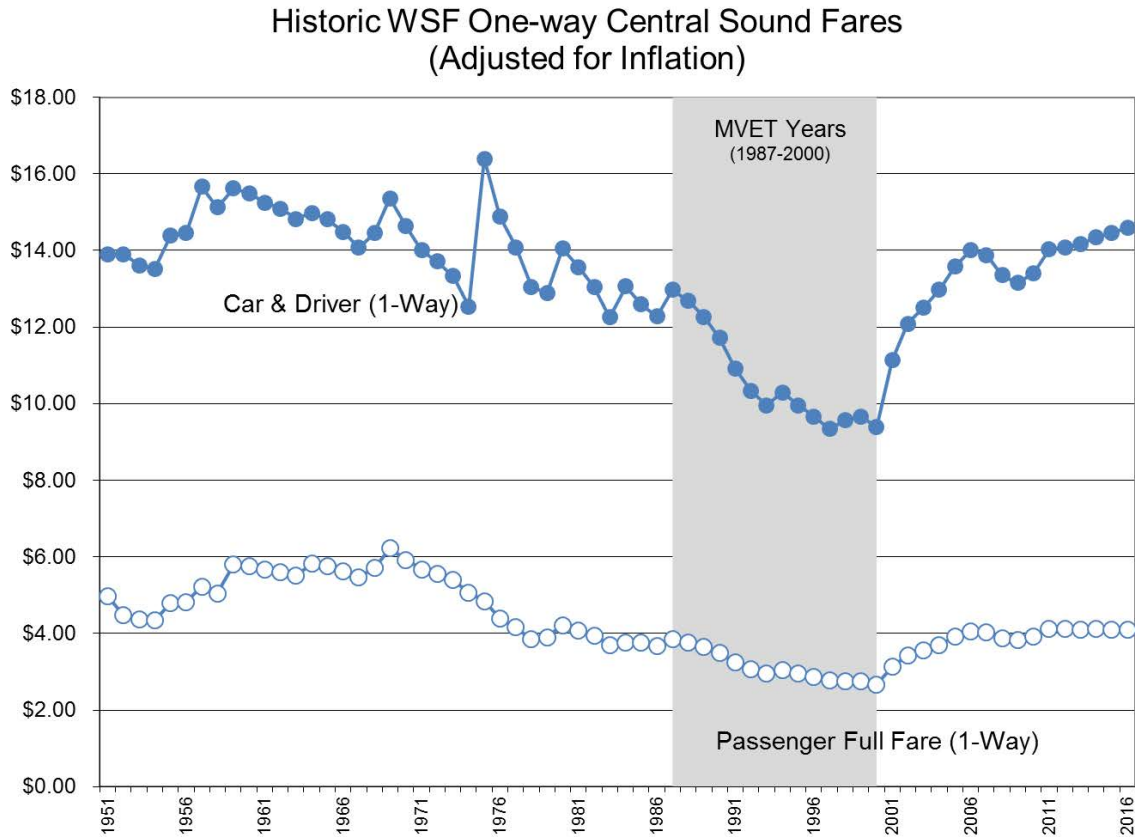
Ridership Changes

Ridership began increasing in FY11, lagging behind the beginning of the economic recovery. This lag was due in part to the continued high gasoline prices and a shift in ridership demographics away from commuters to more occasional travel. With the improving economy and lower fuel prices, the increase in ridership accelerated to 3.5% in FY15 and by another 2.0% in FY16. For the first time since FY07, total ridership exceeded 24 million in FY16. Most of the growth has been in occasional riders, as commuter ridership has remained stable.

Washington State Ferries FY2016 Route Statements

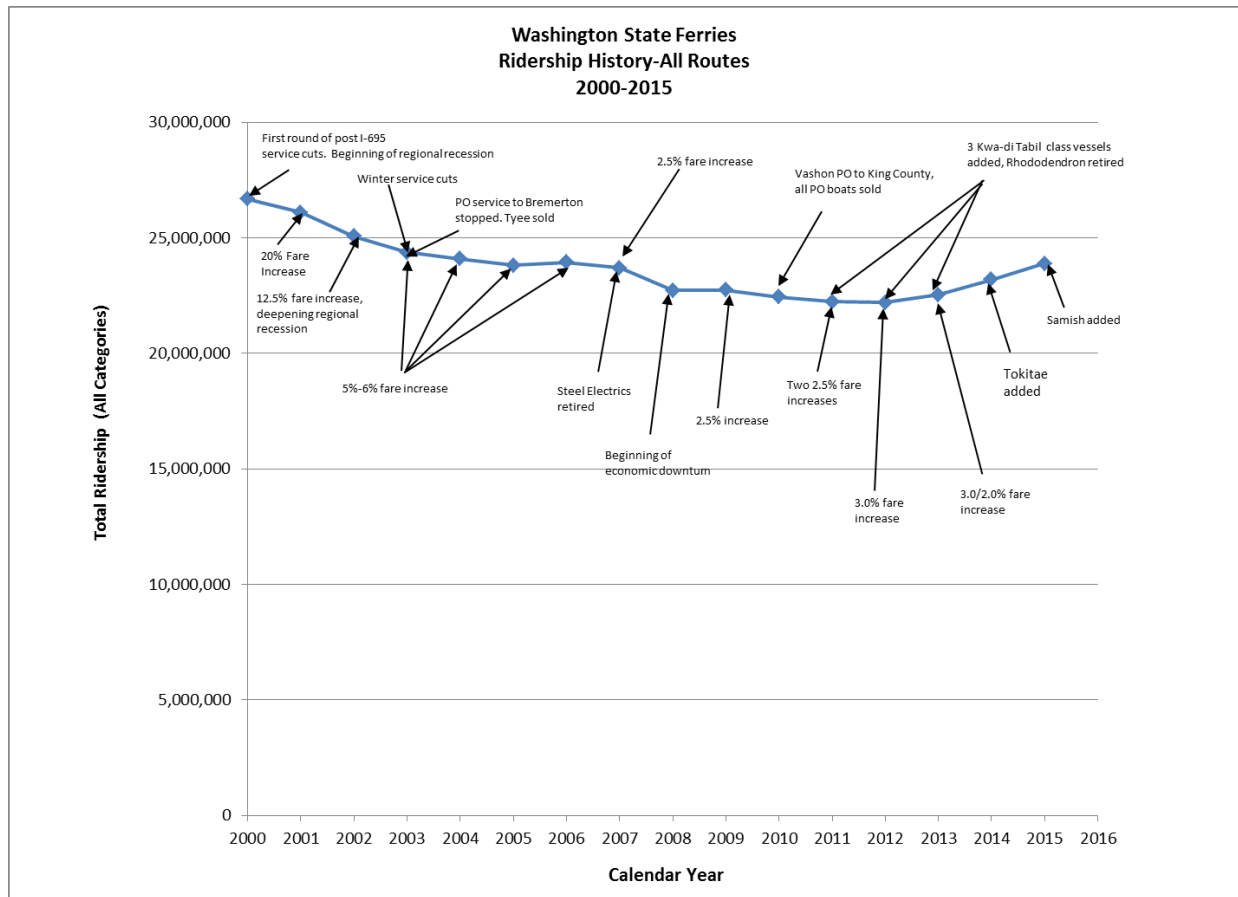
Fare Changes

When voters approved I-695 in November 1999 and the Legislature codified the MVET tax reductions during the 2000 legislative session, WSF lost approximately 20% of its operating support and approximately 75% of its dedicated capital funds. Since the loss of MVET, fares have increased between 54% and 140%, depending on the route. The largest fare increases occurred between 2001 and 2007. Since 2009 they have been approximately 2.5% per year.



These large fare increases increased the recovery rate close to 80% in fiscal year 2004, but cost increases (primarily rapid increases in fuel prices) and relatively modest fare increases pushed the recovery rate to as low as 64.7% in FY08. Since then recovery rates have increased to its current rate of 75.0% in FY16. Volatile fuel prices have had a large impact on the fare recovery ratio, since fuel expense is a large percentage of WSF's operating budget. The chart above shows historical fares adjusted for inflation between 1951 and 2016. Another perspective on ridership changes is illustrated in the figure below, which shows fare increases as well as external events that affect ridership.

Washington State Ferries FY2016 Route Statements



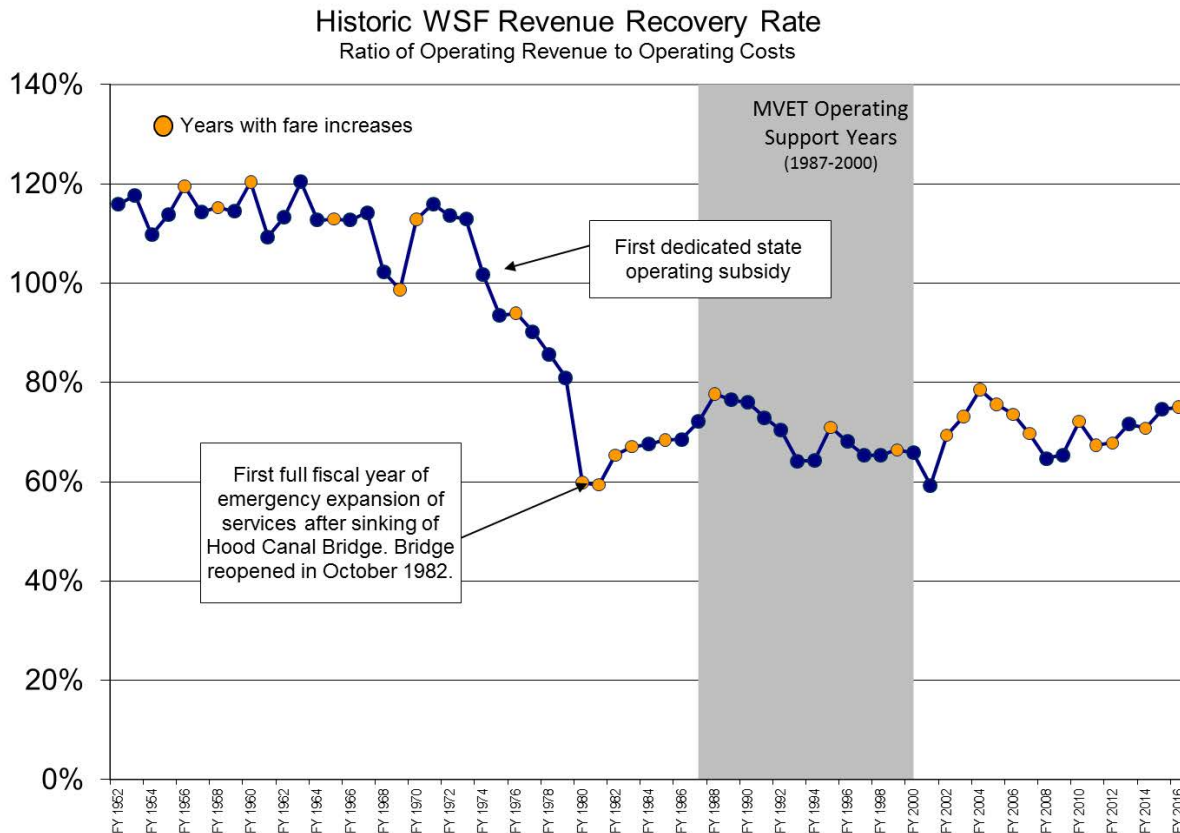
Here is an overview of fare increases during the time period covered in the route statement (overall fares increased by an average of 16.5% from 2011 to 2016):

- In FY11 there was a 2.5% fare increase that went into effect January 1, 2011.
- In FY12, there were two fare increases – one in October 2011 (2.5%) and the second in May 2012 (3.0%). In addition, the legislature directed the Transportation Commission to add a 25 cent per fare capital surcharge from which revenues would go into the capital program, not operations. The revenues from the capital surcharge are not included in the route statements as they are solely for capital purposes. A “small car” discount of 10 percent was begun in October 2011, and this discount went up to 20 percent in May 2012.
- There was no fare increase in FY13.
- Fares were increased twice in FY 14; once in October 2013 (3% for vehicles, 2.5% for passengers), and once in May 2014 (2.5% for vehicles and 2% for passengers). Additionally, the discount for youth fare increased from 20% to 50% in October 2013.
- There were no fare increases in FY15.
- Fares increased twice in FY16; once in October 2015 (2.5% for vehicles, 1% for passengers), and once in May 2016 (2.5% for vehicles, 1% for passengers).

Washington State Ferries FY2016 Route Statements

Farebox Recovery

Farebox recovery (the percent of operating expenses paid for by fares) increased in FY16.



Since the loss of MVET as a funding source, the Legislature has been subsidizing the operating program with transfers from general transportation resources, primarily the Motor Vehicle Account and the Multimodal Account. The funds in these accounts are subject to appropriation every two years and are allocated based on funding priorities among all of WSDOT and other transportation agencies. The source of these transfers is becoming severely constrained. In addition to the transfers, revenue from other funds is also used to pay debt service and fund a portion of Ferries' capital program.

Washington State Ferries FY2016 Route Statements

Operating Expense Changes

Overall operating expenses increased \$6.3 million from FY15 to FY16 (+2.7%).

Labor costs were \$15.4 million (10.7%) higher due in part to:

- \$4.8 million in labor contract wage increases,
- \$4.0 million in pension rate increases,
- \$2.7 million to retain the MV Evergreen State and the MV Hiyu past their decommissioning dates,
- \$1.9 million in increased vessel maintenance and layup labor,
- \$1.2 million increased staffing for revisions in the Olympic class vessel deployment, and
- \$0.8 million in increased health care benefits.

These cost increases were offset by lower fuel costs of \$9.4 million (-18.8%).

Over the six years (FY11-FY16) operating expenditures increased \$17.7 million (+7.9%).

- This is due primarily to \$21 million in increased direct vessel and terminal labor costs.
- Additional expenses were \$6.1 million in increased labor maintenance costs for ferries and terminals and \$2.3 million in increased vessel non-labor operating expenses.
- This was offset by \$13.1 million in decreased fuel expenditures.

The following notes describe the changes that occurred in each major expense category in the Route Statements.

Direct Vessel Operating Expense

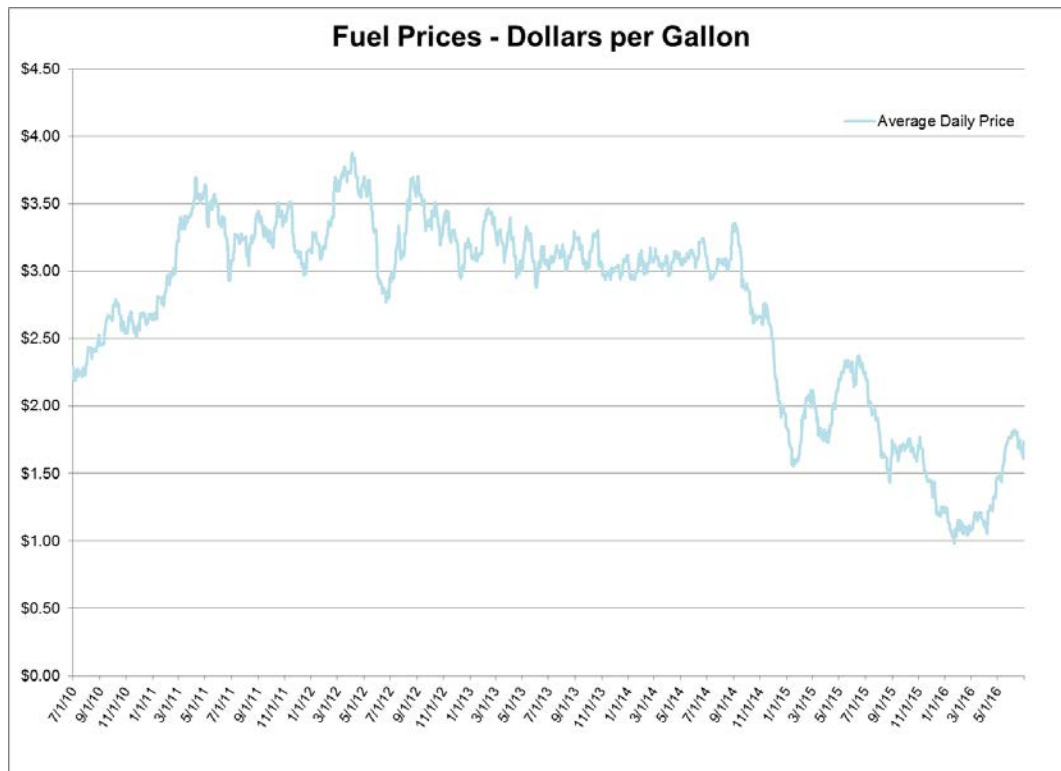
Labor Costs: Change from prior year (from FY15 to FY16): \$8.6 million increase (+9.5%)
Change over six years (from FY10 to FY15): \$16.5 million increase (+20.0%)

- From FY15 to FY16 there was an \$8.6 million increase (+9.5%) in direct vessel operating labor. The majority of this increase is due to retaining the MV Evergreen State and the MV Hiyu past their decommissioning dates (\$2.0 million), labor contract wage increases (\$2 million), and increased staffing levels for passenger counting activities (\$2.2 million). Additionally, changes in employee benefits resulted in a \$1.2 million increase, and an increase of \$1.8 million is due to the addition of the new MV Samish at the end of FY15.
- Over the past six years labor costs increased \$16.5 million (+20.0%). The majority of this is due to the additional costs from the 2015-17 labor contracts which included wage increases and other changes in pay (\$7.4 million). An additional \$7 million is due to the higher crewing levels which were mandated by the Coast Guard in FY13. These were partially offset by reductions in payments for travel time of \$1.4 million between FY11 and FY16.

Fuel: Change from prior year (from FY15 to FY16): \$9.4 million decrease (-18.8%)
Change over six years (from FY11 to FY16): \$13.1 million decrease (-24.4%)

Washington State Ferries FY2016 Route Statements

- From FY15 to FY16 there was a \$9.4 million decrease in expense due primarily to a decrease in fuel prices from \$2.88 in FY15 to \$2.28 in FY16 (-20.8%).
- Over the six years the price of fuel decreased from an average of \$3.10 per gallon in FY11 to \$2.28 per gallon in FY16, a decrease of -26.5%. Part of this is due to WSF being exempted from paying gas taxes beginning in FY14.
 - During FY11 fuel prices started at a low of \$2.08 per gallon in July 2010 that was followed by a fairly steady climb to a high of \$3.95 in April 2011, before ending the fiscal year at \$3.07 per gallon.
 - In FY12 prices continued to rise to a high of \$4.18 per gallon in April 2012 then began to decline to a low of \$2.65 in June 2012.
 - FY13 prices showed a slight overall decrease with a steady fluctuation between \$3.97 (August 2012) and \$2.76 (June 2013), averaging \$3.25 per gallon.
 - FY14 remained stable, ranging from a high of \$3.36 in October 2013 to a low of \$2.88 in December 2013 before ending the fiscal year at \$3.11 per gallon.
 - FY15 began the year with an increase to \$3.41 per gallon in September 2014, then shows the largest drop in January 2015 to \$1.51 per gallon before ending the year at \$2.21.
 - Prices continued to decline in FY16 from \$2.30 per gallon in July 2015 to reach a 6-year low of \$0.87 in January 2016 followed by increasing prices which resulted in the fiscal year ending at \$1.73 per gallon.



Annual fuel consumption between FY11 and FY15 remained stable, ranging between 17,198,000 and 17,475,000 gallons. FY16 fuel consumption was the highest in the past 6 years at 17,741,000 gallons. This is due in part to the replacement of two older, smaller vessels with two new Olympic class vessels over the past two years and an increase in boat moves necessary to retain service levels on routes where larger vessels were removed for emergency repairs.

Washington State Ferries FY2016 Route Statements

Non-Labor: Change from prior year (from FY15 to FY16): \$0.6 million decrease (-5.9%)
Change over six years (from FY11 to FY16): \$2.3 million increase (+30.9%)

- From FY15 to FY16 there was a decrease of \$0.3 million for ferry parts and supplies, \$0.1 million for decreased outside repairs and a \$0.2 million decrease for employee settlements.
- Over the six years the \$2.3 million increase was due to a \$0.6 million increase in employee mileage, a \$0.5 increase in training, a \$0.5 million increase in Inventory costs, a \$0.3 million increase in employee medical claims, and a \$0.3 million increase in parts, supplies and equipment.

Direct Terminal Operating Expense:

Labor: Change from prior year (from FY15 to FY16): \$2.5 million increase (+10.3%)
Change over six years (from FY11 to FY16): \$4.5 million increase (+20.4%)

- The \$2.5 million increase from FY15 to FY16 was primarily due to labor contract wage increases (\$1.3 million). Changes in employee benefits resulted in a \$0.7 million increase, and \$0.5 million at Port Townsend, Coupeville and Anacortes for the expanded reservations system.
- Over the six years the primary increase was \$2.3 million for labor contract increases (wages, etc.). Changes in employee benefits resulted in a \$0.7 million increase, and \$0.5 million at Port Townsend, Coupeville and Anacortes for the expanded reservations system.

Non-Labor: Change from prior year (from FY14 to FY15): \$0.3 million increase (+4.6%)
Change over six years (from FY10 to FY15): \$1.2 million increase (+22.4%)

- From FY15 to FY16 the increase was due to traffic control at the Fauntleroy terminal (\$0.2 million) and for the reservations system (\$0.1 million).
- The majority of the increase over the six-year period is due primarily to increases in utility costs (\$0.3 million) and payments to terminal agents (\$0.3 million). Other increases include terminal lease costs (\$0.2 million), services rendered by other government agencies (\$0.2 million) and the reservations system (\$0.2 million).

Direct Maintenance Expense (including contracted maintenance, Eagle Harbor labor, and maintenance materials)

Vessel Maintenance: Change from prior year (from FY15 to FY16): \$4.1 million increase (+19.9%)
Change over six years (from FY11 to FY15): \$5.0 million increase (+25.2%)

- The increase of \$4.1 million from FY15 to FY16 was mainly due to an increase of \$2.7 million in labor as a result of retaining the MV Evergreen State and the MV Hiyu. An additional \$1.3 million was due to increases in shipyard maintenance contract costs (\$1.8 million) in comparison with the prior year.

Washington State Ferries FY2016 Route Statements

- The increase over the six years was due to \$6.1 million in increased labor costs. An offset of \$0.8 million was due to a decrease in shipyard maintenance costs, and an additional offset of \$0.3 was due to a decrease in vessel parts, supplies and inventory.

Terminal Maintenance: Change from prior year (from FY15 to FY16): \$0.2 million increase (+2.5%)
Change over six years (from FY11 to FY16): \$0.7 million increase (+7.1%)

- The increase of \$0.2 million from FY15 to FY16 was due to an increase of \$0.2 million in labor.
- The increase over the six years was primarily due to an increase of \$0.5 million in outside repairs to terminals and \$0.2 million in increased general repairs, alterations, and maintenance.

Management and Support Expense:

Labor: Change from prior year (from FY15 to FY16): \$1.5 million increase (+11.5%)
Change over six years (from FY11 to FY16): \$1.9 million increase (+15.4%)

- The increase from FY15 to FY16 was mainly due to increases in vessel maintenance and preservation (\$0.5 million), community services and planning (\$0.3 million), finance (\$0.3 million), communications (\$0.2 million), and director of operations (\$0.1 million).
- The increase over the six years was due to increases in information agents related to reservations (\$0.6 million), finance (\$0.3 million), training and staff development (\$0.3 million), community services and planning (\$0.2 million), vessel maintenance and preservation (\$0.2 million), terminal management (\$0.1 million), and communications (\$0.1 million).

Non-Labor: Change from prior year (from FY15 to FY16): \$0.9 million decrease (-7.6%)
Change over six years (from FY11 to FY16): \$1.3 million decrease (-10.2%)

- The increase from FY15 to FY16 was due to decreases for employee training, recruiting and testing (\$0.16 million), dues and membership fees (\$0.5 million), Settlements (\$0.1 million), and other services (\$0.2 million).
- The decrease over the six years is due primarily to a decrease in IT Maintenance and purchases (\$0.5 million), Insurance (\$0.4 million), Rent and Leases (\$0.4 million), services rendered (\$0.3 million), marketing services (\$0.2 million), Commute Trip reduction (\$0.1 million) and contracts (\$0.1 million). This was offset by an increase in merchant discount fees (\$0.7 million).

Over the six years the net subsidy per rider has ranged from \$2.51 (FY16) to \$3.34 (FY12). In FY16 the subsidy was \$2.51, the lowest in eleven years. (Note that the net subsidy per rider for FY11 has been amended based on the revised ridership information for that year.)

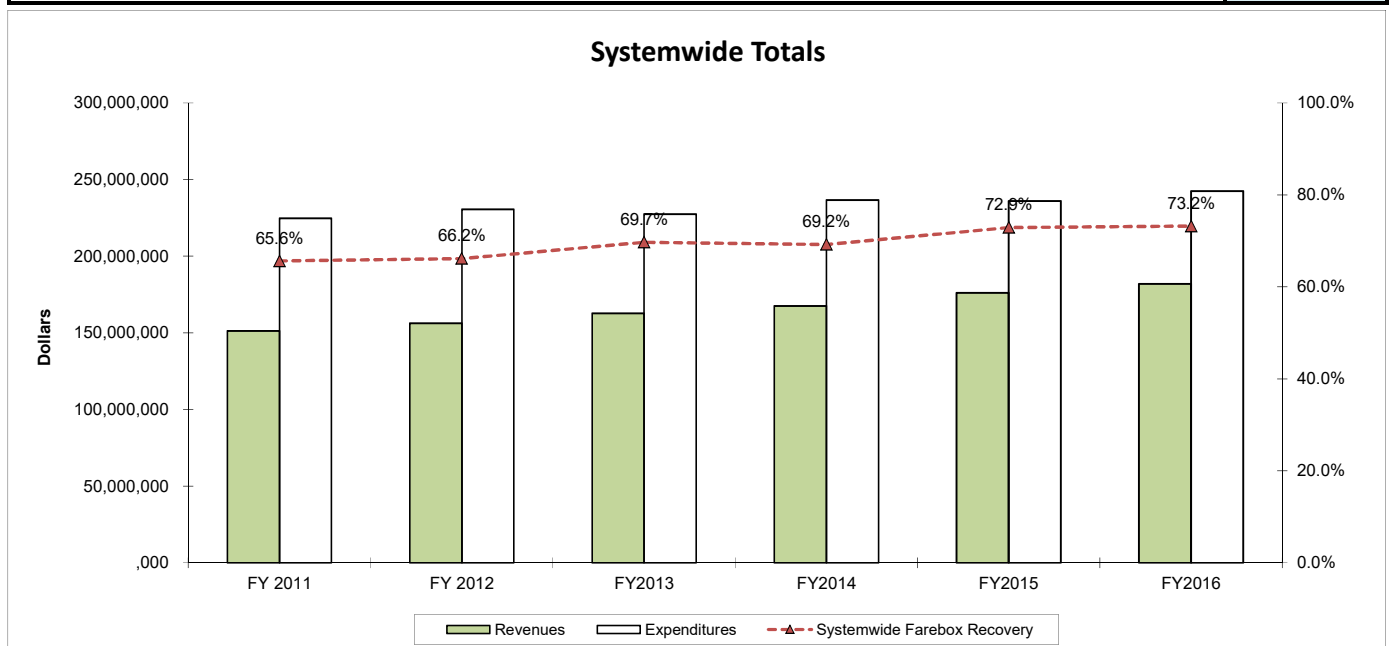
	FY 2011	FY 2012	FY 2013	FY2014	FY2015	FY2016
Cost per rider	\$10.11	\$10.38	\$10.15	\$10.35	\$9.98	\$10.06
Fare recovery per rider	\$6.64	\$6.87	\$7.07	\$7.17	\$7.27	\$7.37
Miscellaneous Revenue per rider	\$0.15	\$0.17	\$0.17	\$0.19	\$0.16	\$0.18
Net Subsidy per rider	\$3.30	\$3.34	\$2.89	\$3.03	\$2.53	\$2.51

ROUTE STATEMENT SUMMARY

FISCAL YEAR 2011 - 2016

Summary - All Routes

	FY 2011	FY 2012	FY2013	FY2014	FY2015	FY2016
TRAFFIC						
Passenger	12,245,000	12,236,000	12,350,000	12,698,000	13,270,000	13,526,000
Vehicle & Driver	9,970,000	9,983,000	10,045,000	10,153,000	10,387,000	10,563,000
TOTAL RIDERS	22,215,000	22,219,000	22,395,000	22,851,000	23,657,000	24,089,000
REVENUE						
Fares	147,448,000	152,540,000	158,421,000	163,779,000	172,071,000	177,437,000
Miscellaneous	3,839,000	3,762,000	4,295,000	3,659,000	4,058,000	4,414,000
TOTAL REVENUE	151,287,000	156,302,000	162,716,000	167,438,000	176,129,000	181,851,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	82,555,000	81,142,000	80,644,000	87,679,000	90,403,000	99,033,000
Fuel	53,560,000	63,400,000	60,366,000	54,672,000	49,855,000	40,474,000
Non-Labor	7,426,000	8,014,000	8,737,000	9,311,000	10,336,000	9,724,000
Total	143,541,000	152,556,000	149,747,000	151,662,000	150,594,000	149,231,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	22,054,000	22,373,000	22,090,000	23,837,000	24,088,000	26,563,000
Non-Labor	5,461,000	5,792,000	6,161,000	6,138,000	6,387,000	6,683,000
Total	27,515,000	28,165,000	28,251,000	29,975,000	30,475,000	33,246,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	19,751,000	21,017,000	19,007,000	20,912,000	20,627,000	24,732,000
Terminal Maintenance	9,198,000	8,997,000	9,691,000	10,044,000	9,612,000	9,851,000
Total	28,949,000	30,014,000	28,698,000	30,956,000	30,239,000	34,583,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	12,321,000	11,857,000	11,847,000	12,545,000	12,758,000	14,223,000
Non-Labor	12,328,000	7,960,000	8,806,000	11,446,000	11,982,000	11,068,000
Total	24,649,000	19,817,000	20,653,000	23,991,000	24,740,000	25,291,000
TOTAL EXPENSES	224,654,000	230,552,000	227,349,000	236,583,000	236,048,000	242,351,000
NET REVENUE/(EXPENSE)	(73,367,000)	(74,250,000)	(64,633,000)	(69,146,000)	(59,919,000)	(60,500,000)
FAREBOX RECOVERY RATIO						
	65.6%	66.2%	69.7%	69.2%	72.9%	73.2%
TOTAL REVENUE RECOVERY RATIO						
	67.3%	67.8%	71.6%	70.8%	74.6%	75.0%



NOTE: Totals may vary due to rounding

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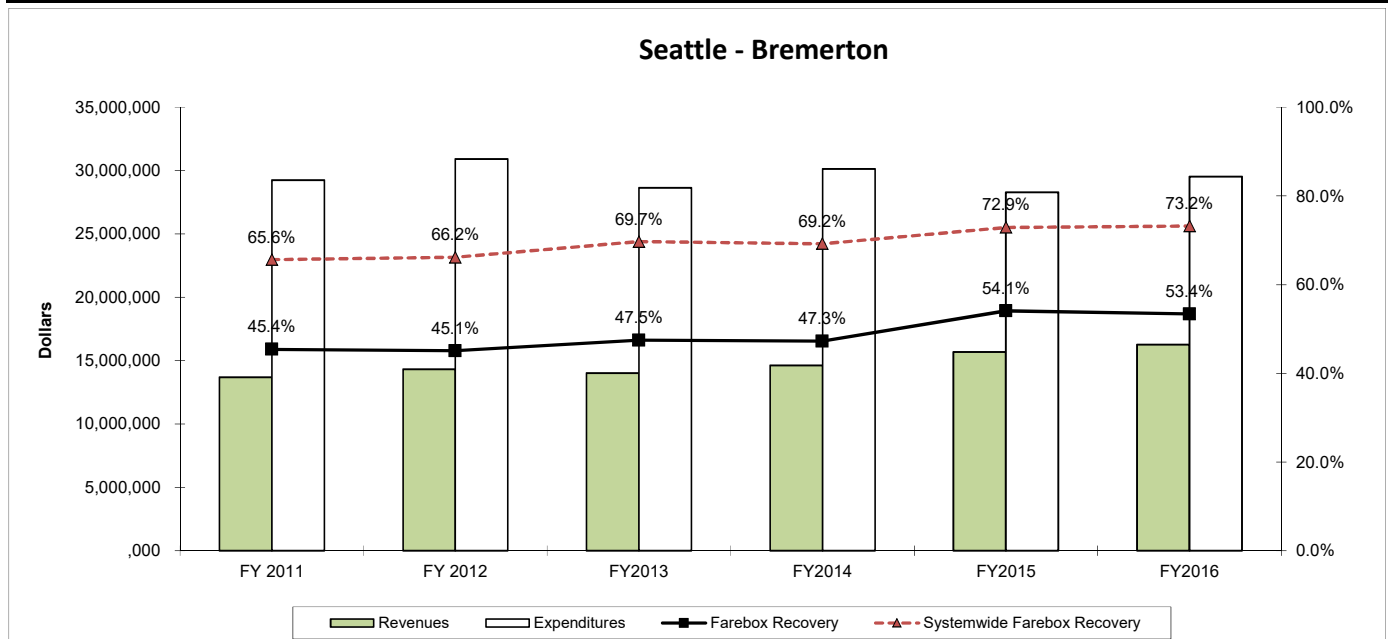
9

ROUTE STATEMENT SUMMARY

FISCAL YEAR 2011 - 2016

Route 10: Seattle - Bremerton

	FY 2011	FY 2012	FY2013	FY2014	FY2015	FY2016
TRAFFIC						
Passenger	1,712,000	1,711,000	1,653,000	1,765,000	1,952,000	2,001,000
Vehicle & Driver	648,000	647,000	626,000	640,000	663,000	662,000
TOTAL RIDERS	2,360,000	2,358,000	2,279,000	2,405,000	2,615,000	2,663,000
REVENUE						
Fares	13,291,000	13,943,000	13,587,000	14,244,000	15,298,000	15,765,000
Miscellaneous	396,000	378,000	437,000	392,000	384,000	500,000
TOTAL REVENUE	13,687,000	14,321,000	14,024,000	14,636,000	15,682,000	16,265,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	10,436,000	9,864,000	9,727,000	10,728,000	10,714,000	11,818,000
Fuel	8,961,000	10,597,000	8,712,000	8,225,000	6,861,000	5,763,000
Non-Labor	853,000	1,175,000	1,150,000	1,156,000	1,117,000	1,295,000
Total	20,250,000	21,636,000	19,589,000	20,109,000	18,692,000	18,876,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	2,465,000	2,475,000	2,375,000	2,545,000	2,621,000	2,890,000
Non-Labor	377,000	419,000	427,000	377,000	444,000	460,000
Total	2,842,000	2,894,000	2,802,000	2,922,000	3,065,000	3,350,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	1,981,000	2,959,000	2,449,000	3,000,000	2,720,000	3,271,000
Terminal Maintenance	968,000	775,000	1,189,000	1,055,000	854,000	955,000
Total	2,949,000	3,734,000	3,638,000	4,055,000	3,574,000	4,226,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,609,000	1,590,000	1,492,000	1,598,000	1,529,000	1,733,000
Non-Labor	1,610,000	1,068,000	1,109,000	1,458,000	1,436,000	1,349,000
Total	3,219,000	2,658,000	2,601,000	3,056,000	2,965,000	3,082,000
TOTAL EXPENSES	29,260,000	30,922,000	28,630,000	30,142,000	28,296,000	29,534,000
NET REVENUE/(EXPENSE)	(15,573,000)	(16,601,000)	(14,606,000)	(15,506,000)	(12,614,000)	(13,270,000)
FAREBOX RECOVERY RATIO						
	45.4%	45.1%	47.5%	47.3%	54.1%	53.4%
TOTAL REVENUE RECOVERY RATIO						
	46.8%	46.3%	49.0%	48.6%	55.4%	55.1%



NOTE: Totals may vary due to rounding

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10

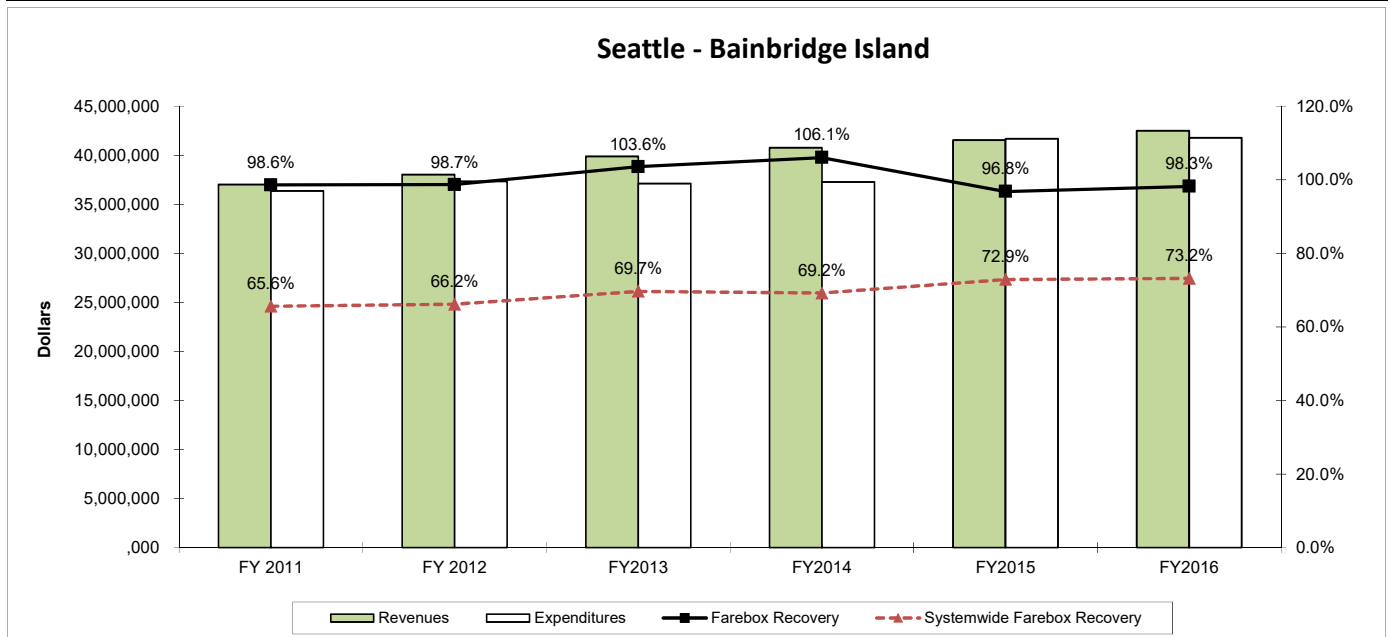
ROUTE STATEMENT SUMMARY

FISCAL YEAR 2011 - 2016

Route 20: Seattle - Bainbridge Island

	FY 2011	FY 2012	FY2013	FY2014	FY2015	FY2016
TRAFFIC						
Passenger	4,170,000	4,142,000	4,243,000	4,361,000	4,396,000	4,435,000
Vehicle & Driver	1,953,000	1,945,000	1,957,000	1,969,000	1,956,000	1,953,000
TOTAL RIDERS	6,123,000	6,087,000	6,200,000	6,330,000	6,352,000	6,388,000
REVENUE						
Fares	35,892,000	36,862,000	38,461,000	39,540,000	40,377,000	41,048,000
Miscellaneous	1,145,000	1,165,000	1,421,000	1,239,000	1,200,000	1,445,000
TOTAL REVENUE	37,037,000	38,027,000	39,882,000	40,779,000	41,577,000	42,493,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	12,145,000	11,697,000	11,564,000	12,355,000	12,840,000	14,077,000
Fuel	10,251,000	12,048,000	11,929,000	10,499,000	10,537,000	8,600,000
Non-Labor	1,102,000	970,000	992,000	1,119,000	1,598,000	1,542,000
Total	23,498,000	24,715,000	24,484,000	23,973,000	24,975,000	24,219,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	4,805,000	4,790,000	4,776,000	5,122,000	5,081,000	5,505,000
Non-Labor	558,000	619,000	653,000	615,000	636,000	706,000
Total	5,363,000	5,409,000	5,429,000	5,737,000	5,717,000	6,211,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	2,046,000	2,355,000	1,606,000	2,207,000	4,236,000	4,921,000
Terminal Maintenance	1,479,000	1,655,000	2,236,000	1,586,000	2,402,000	2,066,000
Total	3,525,000	4,010,000	3,842,000	3,793,000	6,638,000	6,987,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	2,001,000	1,921,000	1,935,000	1,977,000	2,254,000	2,452,000
Non-Labor	2,003,000	1,290,000	1,438,000	1,804,000	2,117,000	1,908,000
Total	4,004,000	3,211,000	3,373,000	3,781,000	4,371,000	4,360,000
TOTAL EXPENSES	36,390,000	37,345,000	37,128,000	37,284,000	41,701,000	41,777,000
NET REVENUE/(EXPENSE)	647,000	682,000	2,754,000	3,495,000	(124,000)	716,000

FAREBOX RECOVERY RATIO	98.6%	98.7%	103.6%	106.1%	96.8%	98.3%
TOTAL REVENUE RECOVERY RATIO	101.8%	101.8%	107.4%	109.4%	99.7%	101.7%



NOTE: Totals may vary due to rounding

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11

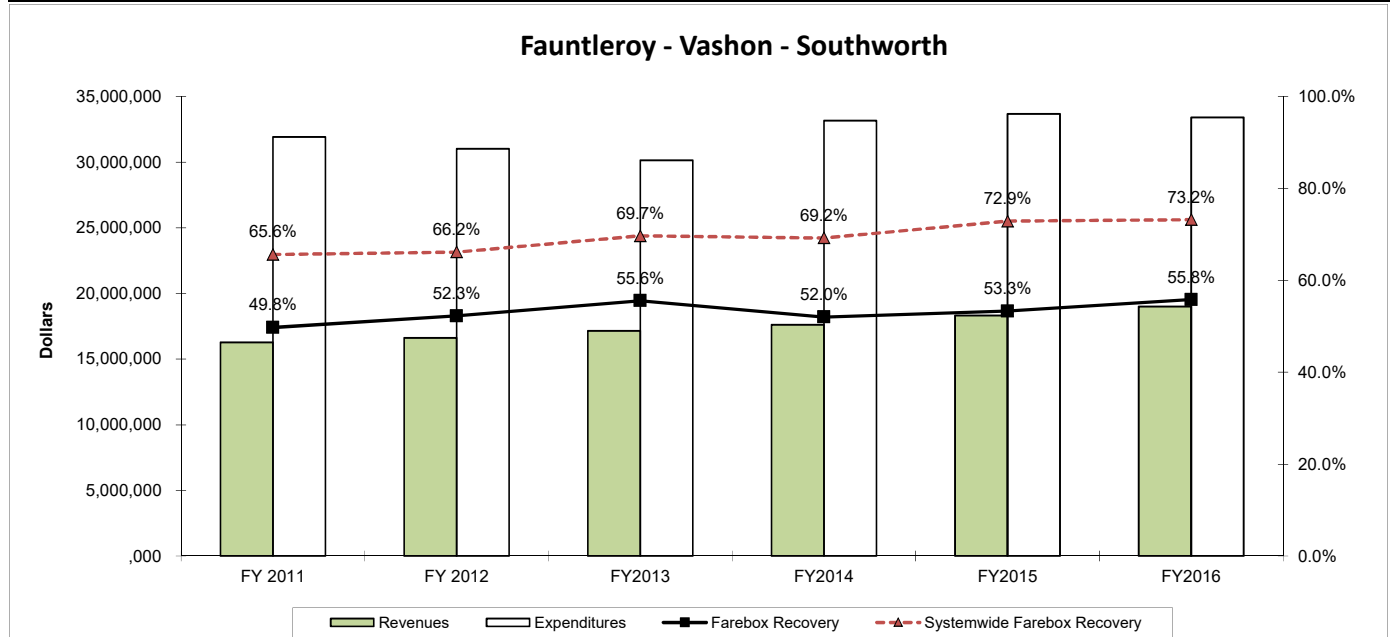
ROUTE STATEMENT SUMMARY

FISCAL YEAR 2011 - 2016

Route 30: Fauntleroy - Vashon - Southworth

	FY 2011	FY 2012	FY2013	FY2014	FY2015	FY2016
TRAFFIC						
Passenger	1,261,000	1,227,000	1,220,000	1,229,000	1,251,000	1,289,000
Vehicle & Driver	1,706,000	1,682,000	1,678,000	1,687,000	1,697,000	1,728,000
TOTAL RIDERS	2,967,000	2,909,000	2,898,000	2,916,000	2,948,000	3,017,000
REVENUE						
Fares	15,887,000	16,220,000	16,762,000	17,259,000	17,966,000	18,651,000
Miscellaneous	398,000	396,000	394,000	357,000	355,000	353,000
TOTAL REVENUE	16,285,000	16,616,000	17,156,000	17,616,000	18,321,000	19,004,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	12,608,000	12,147,000	12,015,000	13,244,000	13,926,000	15,384,000
Fuel	6,074,000	7,076,000	6,783,000	6,333,000	5,501,000	4,477,000
Non-Labor	807,000	843,000	1,001,000	965,000	1,064,000	981,000
Total	19,489,000	20,066,000	19,799,000	20,542,000	20,491,000	20,842,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	3,467,000	3,643,000	3,579,000	3,844,000	3,959,000	4,308,000
Non-Labor	337,000	350,000	369,000	386,000	373,000	653,000
Total	3,804,000	3,993,000	3,948,000	4,230,000	4,332,000	4,961,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	2,751,000	3,419,000	2,923,000	3,149,000	3,543,000	2,750,000
Terminal Maintenance	2,369,000	892,000	744,000	1,885,000	1,791,000	1,366,000
Total	5,120,000	4,311,000	3,667,000	5,034,000	5,334,000	4,116,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,756,000	1,596,000	1,571,000	1,759,000	1,821,000	1,961,000
Non-Labor	1,757,000	1,072,000	1,168,000	1,605,000	1,710,000	1,526,000
Total	3,513,000	2,668,000	2,739,000	3,364,000	3,531,000	3,487,000
TOTAL EXPENSES	31,926,000	31,038,000	30,153,000	33,170,000	33,688,000	33,406,000
NET REVENUE/(EXPENSE)	(15,641,000)	(14,422,000)	(12,997,000)	(15,554,000)	(15,367,000)	(14,402,000)

FAREBOX RECOVERY RATIO	49.8%	52.3%	55.6%	52.0%	53.3%	55.8%
TOTAL REVENUE RECOVERY RATIO	51.0%	53.5%	56.9%	53.1%	54.4%	56.9%



NOTE: Totals may vary due to rounding

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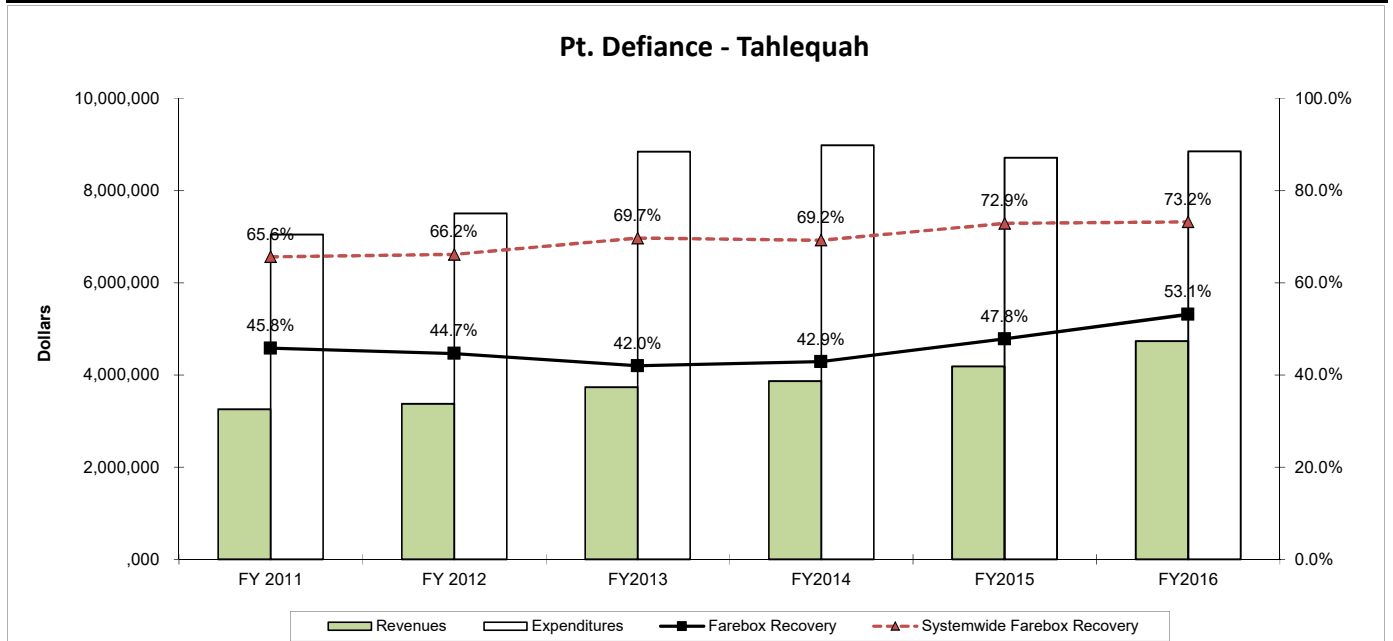
12

ROUTE STATEMENT SUMMARY

FISCAL YEAR 2011 - 2016

Route 40: Pt. Defiance - Tahlequah

	FY 2011	FY 2012	FY2013	FY2014	FY2015	FY2016
TRAFFIC						
Passenger	271,000	264,000	272,000	285,000	302,000	340,000
Vehicle & Driver	375,000	377,000	398,000	409,000	431,000	478,000
TOTAL RIDERS	646,000	641,000	670,000	694,000	733,000	818,000
REVENUE						
Fares	3,229,000	3,355,000	3,716,000	3,855,000	4,170,000	4,705,000
Miscellaneous	27,000	18,000	21,000	16,000	15,000	30,000
TOTAL REVENUE	3,256,000	3,373,000	3,737,000	3,871,000	4,185,000	4,734,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	3,333,000	3,426,000	3,860,000	4,074,000	4,224,000	4,337,000
Fuel	812,000	1,099,000	1,369,000	1,131,000	1,003,000	770,000
Non-Labor	208,000	410,000	541,000	497,000	371,000	255,000
Total	4,353,000	4,935,000	5,770,000	5,702,000	5,598,000	5,362,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	872,000	883,000	890,000	990,000	924,000	1,008,000
Non-Labor	62,000	75,000	104,000	72,000	84,000	85,000
Total	934,000	958,000	994,000	1,062,000	1,008,000	1,093,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	677,000	496,000	1,069,000	775,000	762,000	931,000
Terminal Maintenance	307,000	475,000	211,000	537,000	435,000	544,000
Total	984,000	971,000	1,280,000	1,312,000	1,197,000	1,475,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	388,000	386,000	461,000	476,000	471,000	520,000
Non-Labor	388,000	259,000	343,000	435,000	443,000	404,000
Total	776,000	645,000	804,000	911,000	914,000	924,000
TOTAL EXPENSES	7,047,000	7,509,000	8,848,000	8,987,000	8,717,000	8,854,000
NET REVENUE/(EXPENSE)	(3,792,000)	(4,136,000)	(5,111,000)	(5,116,000)	(4,532,000)	(4,120,000)
FAREBOX RECOVERY RATIO						
	45.8%	44.7%	42.0%	42.9%	47.8%	53.1%
TOTAL REVENUE RECOVERY RATIO						
	46.2%	44.9%	42.2%	43.1%	48.0%	53.5%



NOTE: Totals may vary due to rounding

3/8/2017

13

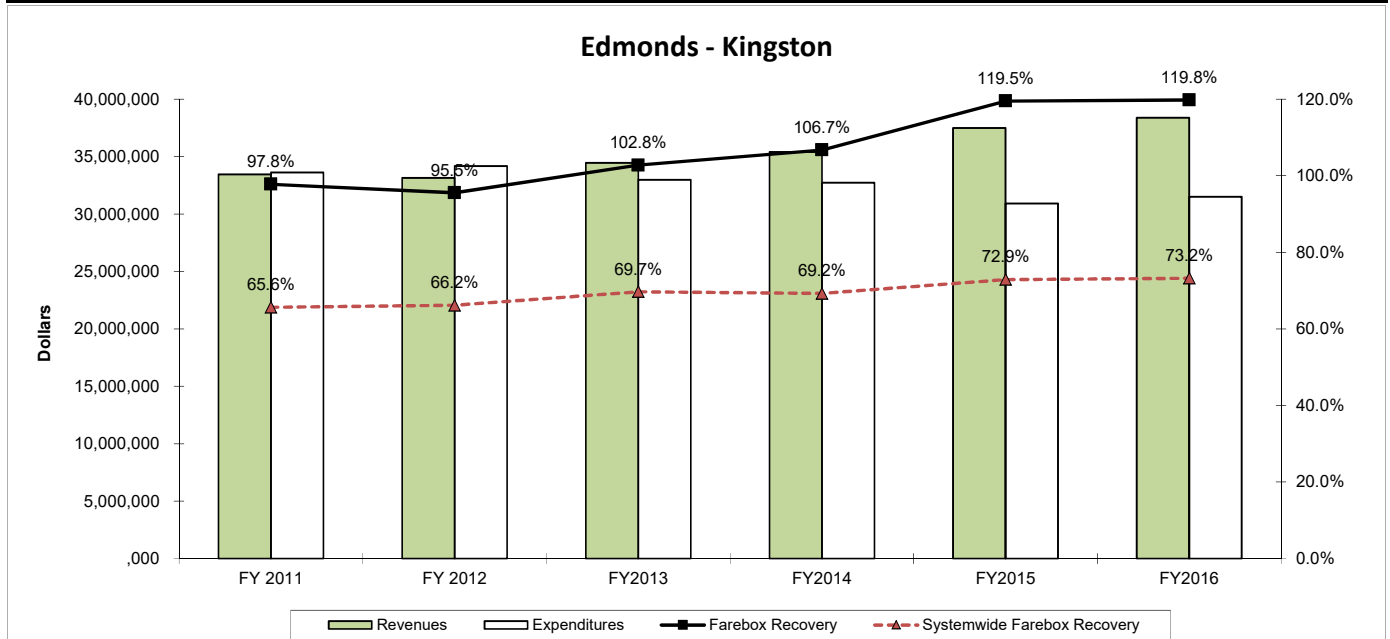
ROUTE STATEMENT SUMMARY

FISCAL YEAR 2011 - 2016

Route 50: Edmonds - Kingston

	FY 2011	FY 2012	FY2013	FY2014	FY2015	FY2016
TRAFFIC						
Passenger	1,856,000	1,788,000	1,813,000	1,853,000	1,957,000	1,988,000
Vehicle & Driver	2,092,000	2,033,000	2,035,000	2,067,000	2,127,000	2,131,000
TOTAL RIDERS	3,948,000	3,821,000	3,848,000	3,920,000	4,084,000	4,119,000
REVENUE						
Fares	32,872,000	32,637,000	33,882,000	34,944,000	36,955,000	37,723,000
Miscellaneous	586,000	500,000	576,000	468,000	544,000	665,000
TOTAL REVENUE	33,458,000	33,137,000	34,458,000	35,412,000	37,499,000	38,388,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	11,382,000	11,106,000	10,731,000	11,533,000	11,528,000	12,577,000
Fuel	8,723,000	10,285,000	9,228,000	8,524,000	7,472,000	5,875,000
Non-Labor	1,071,000	1,093,000	1,205,000	1,180,000	1,394,000	1,338,000
Total	21,176,000	22,484,000	21,164,000	21,237,000	20,394,000	19,790,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	4,050,000	3,940,000	3,878,000	4,137,000	4,110,000	4,450,000
Non-Labor	544,000	579,000	647,000	598,000	618,000	595,000
Total	4,594,000	4,519,000	4,525,000	4,735,000	4,728,000	5,045,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	3,077,000	3,260,000	3,078,000	2,659,000	1,391,000	2,575,000
Terminal Maintenance	1,075,000	964,000	1,213,000	789,000	1,162,000	799,000
Total	4,152,000	4,224,000	4,291,000	3,448,000	2,553,000	3,374,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,849,000	1,757,000	1,718,000	1,736,000	1,671,000	1,848,000
Non-Labor	1,850,000	1,180,000	1,277,000	1,584,000	1,569,000	1,438,000
Total	3,699,000	2,937,000	2,995,000	3,320,000	3,240,000	3,286,000
TOTAL EXPENSES	33,621,000	34,164,000	32,975,000	32,740,000	30,915,000	31,495,000
NET REVENUE/(EXPENSE)	(163,000)	(1,027,000)	1,483,000	2,672,000	6,584,000	6,893,000

FAREBOX RECOVERY RATIO	97.8%	95.5%	102.8%	106.7%	119.5%	119.8%
TOTAL REVENUE RECOVERY RATIO	99.5%	97.0%	104.5%	108.2%	121.3%	121.9%



NOTE: Totals may vary due to rounding

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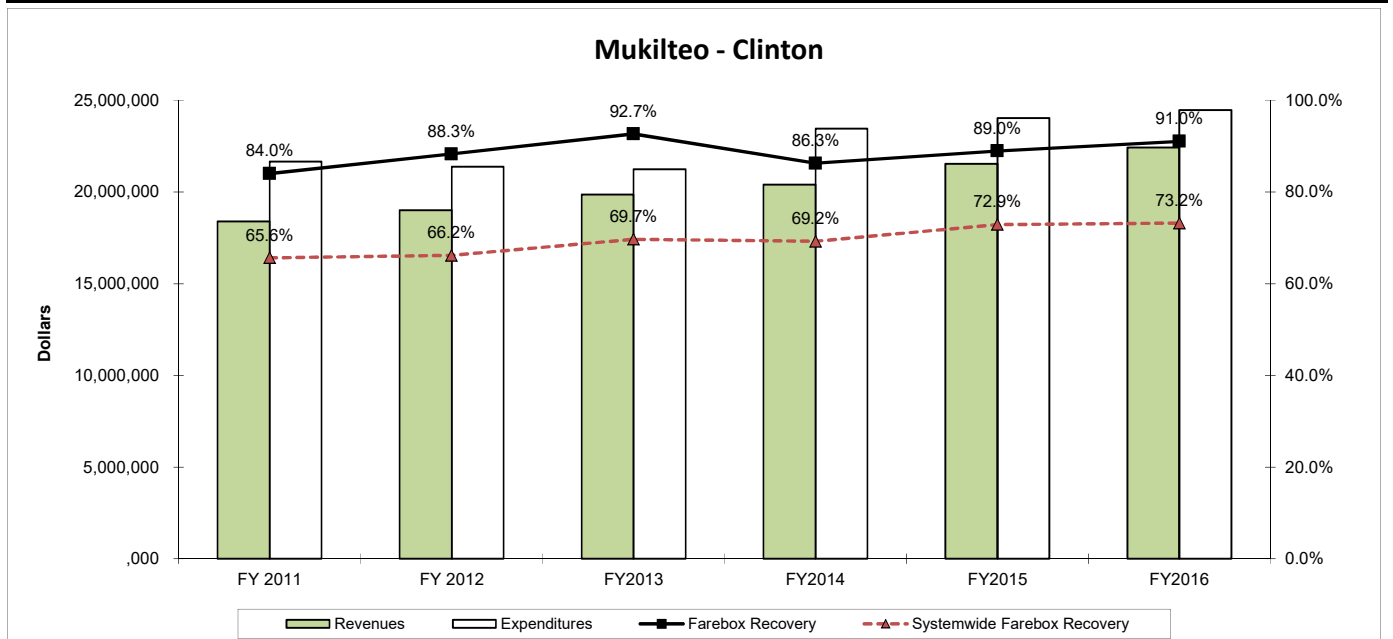
14

ROUTE STATEMENT SUMMARY

FISCAL YEAR 2011 - 2016

Route 60: Mukilteo - Clinton

	FY 2011	FY 2012	FY2013	FY2014	FY2015	FY2016
TRAFFIC						
Passenger	1,691,000	1,749,000	1,780,000	1,779,000	1,860,000	1,871,000
Vehicle & Driver	2,055,000	2,089,000	2,118,000	2,122,000	2,200,000	2,261,000
TOTAL RIDERS	3,746,000	3,838,000	3,898,000	3,901,000	4,060,000	4,132,000
REVENUE						
Fares	18,204,000	18,876,000	19,684,000	20,241,000	21,377,000	22,281,000
Miscellaneous	188,000	137,000	185,000	154,000	166,000	137,000
TOTAL REVENUE	18,392,000	19,013,000	19,869,000	20,395,000	21,543,000	22,418,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	9,259,000	8,828,000	8,868,000	9,939,000	10,518,000	11,323,000
Fuel	3,943,000	3,926,000	3,960,000	3,719,000	3,934,000	3,170,000
Non-Labor	639,000	746,000	717,000	1,106,000	1,059,000	909,000
Total	13,841,000	13,500,000	13,545,000	14,764,000	15,511,000	15,402,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	2,883,000	2,970,000	2,902,000	3,111,000	3,131,000	3,376,000
Non-Labor	454,000	493,000	532,000	545,000	553,000	555,000
Total	3,337,000	3,463,000	3,434,000	3,656,000	3,684,000	3,931,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	1,650,000	2,156,000	1,799,000	1,845,000	1,430,000	1,846,000
Terminal Maintenance	454,000	423,000	534,000	820,000	883,000	742,000
Total	2,104,000	2,579,000	2,333,000	2,665,000	2,313,000	2,588,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,192,000	1,100,000	1,107,000	1,244,000	1,299,000	1,436,000
Non-Labor	1,192,000	738,000	822,000	1,135,000	1,220,000	1,118,000
Total	2,384,000	1,838,000	1,929,000	2,379,000	2,519,000	2,554,000
TOTAL EXPENSES	21,666,000	21,380,000	21,241,000	23,464,000	24,027,000	24,475,000
NET REVENUE/(EXPENSE)	(3,274,000)	(2,367,000)	(1,372,000)	(3,069,000)	(2,484,000)	(2,057,000)
FAREBOX RECOVERY RATIO						
	84.0%	88.3%	92.7%	86.3%	89.0%	91.0%
TOTAL REVENUE RECOVERY RATIO						
	84.9%	88.9%	93.5%	86.9%	89.7%	91.6%



NOTE: Totals may vary due to rounding

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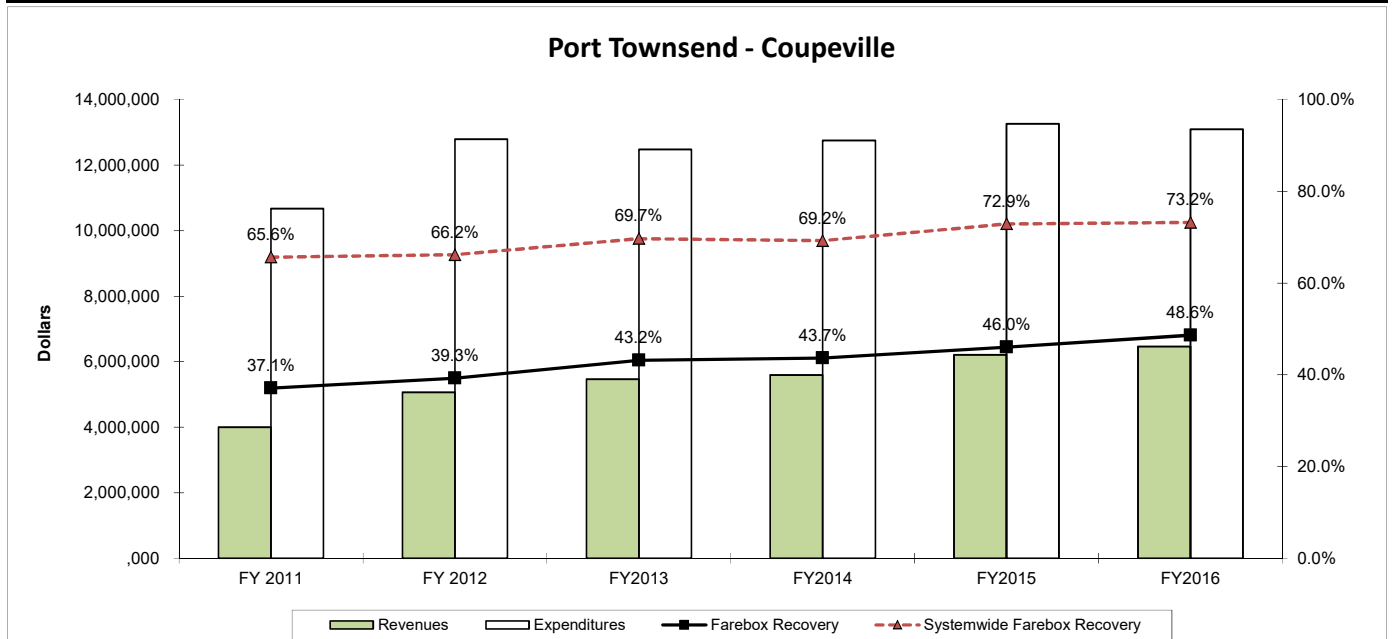
15

ROUTE STATEMENT SUMMARY

FISCAL YEAR 2011 - 2016

Route 70: Port Townsend - Coupeville

	FY 2011	FY 2012	FY2013	FY2014	FY2015	FY2016
TRAFFIC						
Passenger	320,000	360,000	356,000	365,000	409,000	436,000
Vehicle & Driver	272,000	320,000	323,000	328,000	355,000	368,000
TOTAL RIDERS	592,000	680,000	679,000	693,000	764,000	804,000
REVENUE						
Fares	3,959,000	5,024,000	5,387,000	5,568,000	6,103,000	6,366,000
Miscellaneous	37,000	44,000	80,000	24,000	106,000	95,000
TOTAL REVENUE	3,996,000	5,068,000	5,467,000	5,592,000	6,209,000	6,461,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	3,376,000	5,170,000	4,671,000	4,935,000	5,248,000	5,633,000
Fuel	1,297,000	2,433,000	2,593,000	2,127,000	1,793,000	1,575,000
Non-Labor	615,000	732,000	631,000	621,000	655,000	597,000
Total	5,288,000	8,335,000	7,895,000	7,683,000	7,696,000	7,805,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	1,241,000	1,371,000	1,438,000	1,575,000	1,639,000	1,851,000
Non-Labor	164,000	215,000	197,000	223,000	217,000	230,000
Total	1,405,000	1,586,000	1,635,000	1,798,000	1,856,000	2,081,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	1,991,000	1,212,000	855,000	1,396,000	1,724,000	1,572,000
Terminal Maintenance	886,000	558,000	958,000	585,000	594,000	270,000
Total	2,877,000	1,770,000	1,813,000	1,981,000	2,318,000	1,842,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	552,000	658,000	650,000	676,000	717,000	769,000
Non-Labor	552,000	441,000	483,000	617,000	673,000	598,000
Total	1,104,000	1,099,000	1,133,000	1,293,000	1,390,000	1,367,000
TOTAL EXPENSES	10,674,000	12,790,000	12,476,000	12,755,000	13,260,000	13,095,000
NET REVENUE/(EXPENSE)	(6,678,000)	(7,722,000)	(7,009,000)	(7,163,000)	(7,051,000)	(6,634,000)
FAREBOX RECOVERY RATIO						
	37.1%	39.3%	43.2%	43.7%	46.0%	48.6%
TOTAL REVENUE RECOVERY RATIO						
	37.4%	39.6%	43.8%	43.8%	46.8%	49.3%



NOTE: Totals may vary due to rounding

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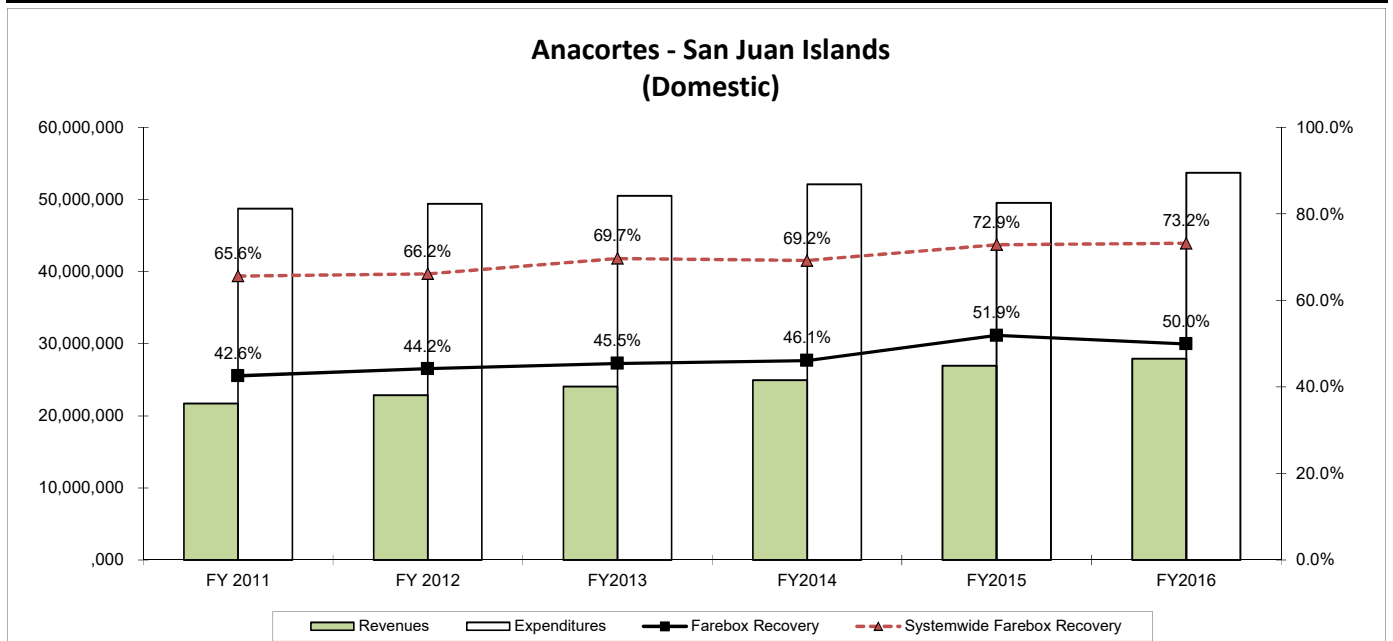
16

ROUTE STATEMENT SUMMARY

FISCAL YEAR 2011 - 2016

Route 80: Anacortes - San Juan Islands (Domestic)

	FY 2011	FY 2012	FY2013	FY2014	FY2015	FY2016
TRAFFIC						
Passenger	882,000	905,000	921,000	967,000	1,051,000	1,073,000
Vehicle & Driver	826,000	841,000	860,000	881,000	909,000	935,000
TOTAL RIDERS	1,708,000	1,746,000	1,781,000	1,848,000	1,960,000	2,008,000
REVENUE						
Fares	20,749,000	21,835,000	22,962,000	24,016,000	25,719,000	26,837,000
Miscellaneous	973,000	1,045,000	1,082,000	925,000	1,213,000	1,105,000
TOTAL REVENUE	21,722,000	22,880,000	24,044,000	24,941,000	26,932,000	27,942,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	18,233,000	17,248,000	17,566,000	19,019,000	19,554,000	21,863,000
Fuel	12,079,000	14,191,000	14,189,000	12,528,000	11,358,000	9,182,000
Non-Labor	1,907,000	1,837,000	2,269,000	2,403,000	2,760,000	2,516,000
Total	32,219,000	33,276,000	34,024,000	33,950,000	33,672,000	33,561,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	2,046,000	2,052,000	2,006,000	2,242,000	2,369,000	2,866,000
Non-Labor	2,258,000	2,326,000	2,528,000	2,628,000	2,751,000	2,808,000
Total	4,304,000	4,378,000	4,534,000	4,870,000	5,120,000	5,674,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	5,305,000	4,467,000	4,860,000	5,346,000	4,147,000	5,942,000
Terminal Maintenance	1,547,000	3,022,000	2,510,000	2,658,000	1,404,000	2,930,000
Total	6,852,000	7,489,000	7,370,000	8,004,000	5,551,000	8,872,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	2,681,000	2,540,000	2,632,000	2,763,000	2,677,000	3,152,000
Non-Labor	2,682,000	1,705,000	1,957,000	2,521,000	2,514,000	2,453,000
Total	5,363,000	4,245,000	4,589,000	5,284,000	5,192,000	5,605,000
TOTAL EXPENSES	48,739,000	49,388,000	50,517,000	52,108,000	49,535,000	53,712,000
NET REVENUE/(EXPENSE)	(27,016,000)	(26,508,000)	(26,473,000)	(27,167,000)	(22,603,000)	(25,770,000)
FAREBOX RECOVERY RATIO						
	42.6%	44.2%	45.5%	46.1%	51.9%	50.0%
TOTAL REVENUE RECOVERY RATIO						
	44.6%	46.3%	47.6%	47.9%	54.4%	52.0%



NOTE: Totals may vary due to rounding

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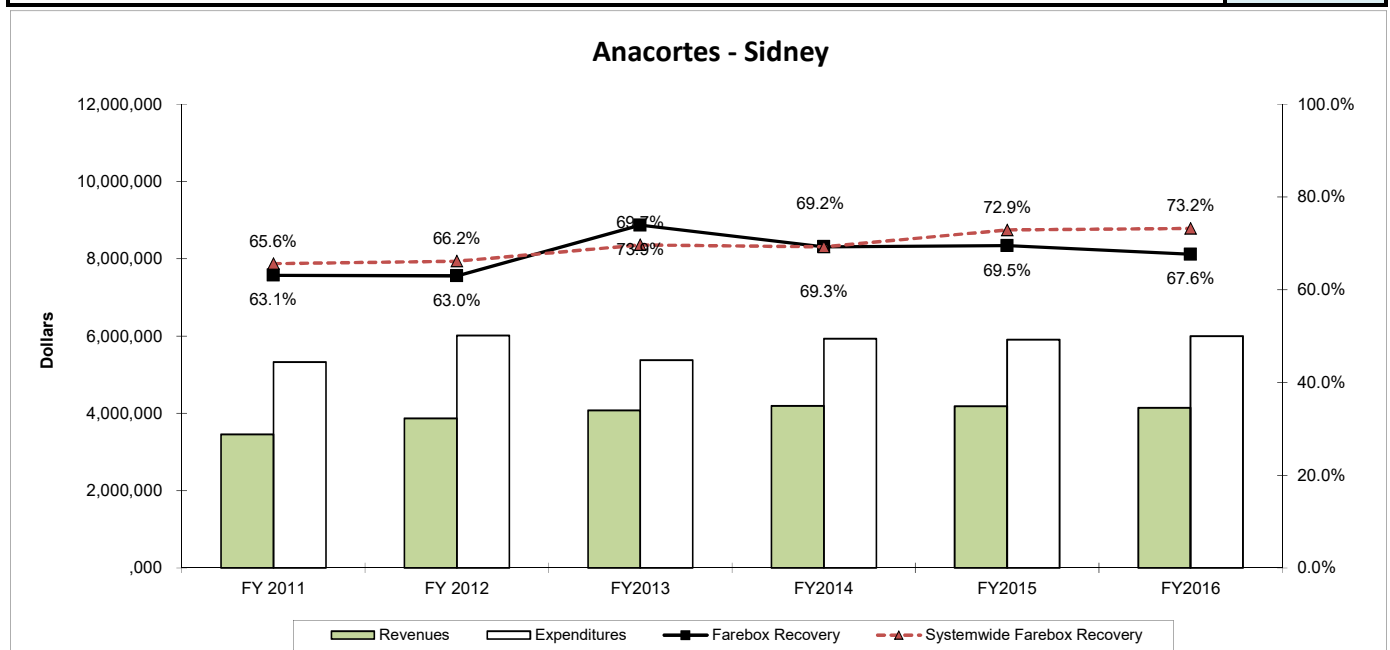
17

ROUTE STATEMENT SUMMARY

FISCAL YEAR 2011 - 2016

Route 85: Anacortes - Sidney

	FY 2011	FY 2012	FY2013	FY2014	FY2015	FY2016
TRAFFIC						
Passenger	81,000	89,000	91,000	93,000	93,000	93,000
Vehicle & Driver	44,000	48,000	50,000	50,000	49,000	47,000
TOTAL RIDERS	125,000	137,000	141,000	143,000	142,000	140,000
REVENUE						
Fares	3,366,000	3,788,000	3,979,000	4,111,000	4,107,000	4,061,000
Miscellaneous	89,000	79,000	100,000	85,000	75,000	85,000
TOTAL REVENUE	3,455,000	3,867,000	4,079,000	4,196,000	4,182,000	4,146,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	1,783,000	1,656,000	1,642,000	1,852,000	1,851,000	2,021,000
Fuel	1,420,000	1,745,000	1,603,000	1,586,000	1,395,000	1,062,000
Non-Labor	224,000	208,000	232,000	264,000	318,000	291,000
Total	3,427,000	3,609,000	3,477,000	3,702,000	3,564,000	3,374,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	226,000	248,000	246,000	271,000	254,000	309,000
Non-Labor	706,000	716,000	705,000	694,000	712,000	591,000
Total	932,000	964,000	951,000	965,000	966,000	900,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	274,000	693,000	368,000	536,000	673,000	924,000
Terminal Maintenance	113,000	232,000	96,000	129,000	87,000	179,000
Total	387,000	925,000	464,000	665,000	760,000	1,103,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	293,000	309,000	280,000	315,000	319,000	352,000
Non-Labor	294,000	208,000	209,000	287,000	300,000	274,000
Total	587,000	517,000	489,000	602,000	619,000	626,000
TOTAL EXPENSES	5,333,000	6,015,000	5,381,000	5,934,000	5,909,000	6,003,000
NET REVENUE/(EXPENSE)	(1,878,000)	(2,148,000)	(1,302,000)	(1,738,000)	(1,727,000)	(1,857,000)
FAREBOX RECOVERY RATIO	63.1%	63.0%	73.9%	69.3%	69.5%	67.6%
TOTAL REVENUE RECOVERY RATIO	64.8%	64.3%	75.8%	70.7%	70.8%	69.1%



NOTE: Totals may vary due to rounding

3/8/2017

18